

**STERLING FINANCIAL CORPORATION**

|   | CPP Disbursement Date<br>12/05/2008 | RSSD (Holding Company)<br>3152245 | Number of Insured<br>Depository Institutions<br>1 |      |    |
|---|-------------------------------------|-----------------------------------|---|------|----|
|   |                                     |                                   |   |      |    |
| Selected balance and off-balance sheet items  | 2009<br>\$ millions                 | 2010<br>\$ millions               | %chg from prev                                    |      |    |
| Assets  | \$10,300                            | \$9,501                           | -7.8%   |      |    |
| Loans   | \$7,385                             | \$5,853                           | -20.8%  |      |    |
| Construction & development  | \$1,520                             | \$688                             | -54.8%  |      |    |
| Closed-end 1-4 family residential   | \$1,349                             | \$1,445                           | 7.1%  |      |    |
| Home equity   | \$76                                | \$58                              | -22.9%  |      |    |
| Credit card   | \$0                                 | \$0                               |   |      |    |
| Other consumer  | \$390                               | \$126                             | -67.8%  |      |    |
| Commercial & Industrial   | \$739                               | \$466                             | -37.0%  |      |    |
| Commercial real estate  | \$2,540                             | \$2,343                           | -7.7%   |      |    |
|   |                                     |                                   |   |      |    |
| Unused commitments  | \$976                               | \$625                             | -35.9%  |      |    |
| Securitization outstanding principal  | \$0                                 | \$0                               |   |      |    |
| Mortgage-backed securities (GSE and private issue)  | \$1,906                             | \$2,603                           | 36.6%   |      |    |
| Asset-backed securities   | \$0                                 | \$0                               |   |      |    |
| Other securities  | \$207                               | \$222                             | 7.7%  |      |    |
| Cash & balances due   | \$576                               | \$436                             | -24.2%  |      |    |
|   |                                     |                                   |   |      |    |
| Residential mortgage originations   |                                     |                                   |   |      |    |
| Closed-end mortgage originated for sale (quarter)   | \$17                                | \$708                             | 4102.7%   |      |    |
| Open-end HELOC originated for sale (quarter)  | \$0                                 | \$0                               |   |      |    |
| Closed-end mortgage originations sold (quarter)   | \$17                                | \$787                             | 4509.7%   |      |    |
| Open-end HELOC originations sold (quarter)  | \$0                                 | \$0                               |   |      |    |
|   |                                     |                                   |   |      |    |
| Liabilities   | \$9,812                             | \$8,528                           | -13.1%  |      |    |
| Deposits  | \$7,387                             | \$6,935                           | -6.1%   |      |    |
| Total other borrowings  | \$2,306                             | \$1,494                           | -35.2%  |      |    |
| FHLB advances   | \$1,257                             | \$407                             | -67.6%  |      |    |
|   |                                     |                                   |   |      |    |
| Equity  |                                     |                                   |   |      |    |
| Equity capital at quarter end   | \$489                               | \$974                             | 99.2%   |      |    |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$60                                | \$650                             | NA  |      |    |
|   |                                     |                                   |   |      |    |
| Performance Ratios  |                                     |                                   |   |      |    |
| Tier 1 leverage ratio   | 4.2%                                | 9.7%                              | --  |      |    |
| Tier 1 risk based capital ratio   | 5.9%                                | 15.7%                             | --  |      |    |
| Total risk based capital ratio  | 7.3%                                | 16.9%                             | --  |      |    |
| Return on equity <sup>1</sup>   | -197.8%                             | -14.5%                            | --  |      |    |
| Return on assets <sup>1</sup>   | -12.0%                              | -1.5%                             | --  |      |    |
| Net interest margin <sup>1</sup>  | 3.1%                                | 3.2%                              | --  |      |    |
| Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}                                | 39.4%                               | 38.8%                             | --  |      |    |
| Loss provision to net charge-offs (qtr)   | 124.8%                              | 95.4%                             | --  |      |    |
| Net charge-offs to average loans and leases <sup>1</sup>                                    | 14.0%                               | 2.1%                              | --  |      |    |
| <sup>1</sup> Quarterly, annualized.   |                                     |                                   |   |      |    |
|   |                                     |                                   |   |      |    |
|   | Noncurrent Loans                    |                                   | Gross Charge-Offs                                 |      |    |
| Asset Quality (% of Total Loan Type)  | 2009                                | 2010                              | 2009  | 2010 |    |
| Construction & development  | 42.5%                               | 56.5%                             | 12.2%   | 2.2% | -- |
| Closed-end 1-4 family residential   | 3.1%                                | 3.6%                              | 0.4%  | 0.8% | -- |
| Home equity   | 2.1%                                | 3.2%                              | 0.9%  | 0.8% | -- |
| Credit card   | 0.0%                                | 0.0%                              | 0.0%  | 0.0% | -- |
| Other consumer  | 0.4%                                | 0.5%                              | 0.5%  | 0.5% | -- |
| Commercial & Industrial   | 3.7%                                | 1.7%                              | 2.8%  | 0.2% | -- |
| Commercial real estate  | 4.0%                                | 6.6%                              | 0.9%  | 0.3% | -- |
| Total loans   | 11.5%                               | 10.9%                             | 3.5%  | 0.7% | -- |